

10/09/09
Cash Basis

Balance Sheet
As of December 31, 2008

| | <u>Dec 31, 08</u> |
|--|----------------------------|
| ASSETS | |
| Current Assets | |
| Checking/Savings | |
| B of A- Chck - 8693 | 13,640.31 |
| Total Checking/Savings | <u>13,640.31</u> |
| Accounts Receivable | |
| Accounts Receivable - TRADE | 49,396.44 |
| Total Accounts Receivable | <u>49,396.44</u> |
| Other Current Assets | |
| AR - Pulse | |
| Equipment lease | 801.60 |
| AR - Pulse - Other | 57,081.65 |
| Total AR - Pulse | <u>57,883.25</u> |
| Burke Escrow | 13,373.44 |
| Inventory Asset | 1,795,391.83 |
| MHW Escrow | -1,696.05 |
| Petty Cash | 3.96 |
| Total Other Current Assets | <u>1,864,956.43</u> |
| Total Current Assets | <u>1,927,993.18</u> |
| Fixed Assets | |
| Accumulated Depreciation | -105,277.00 |
| FF&E | |
| Equipment | |
| Auto | 75,625.59 |
| Computer | 28,299.71 |
| Total Equipment | <u>103,925.30</u> |
| Furniture | 21,664.91 |
| Phone System | 5,203.14 |
| FF&E - Other | 11,297.74 |
| Total FF&E | <u>142,091.09</u> |
| Manufacturing Equipment | <u>176,043.37</u> |
| Total Fixed Assets | <u>212,857.46</u> |
| Other Assets | |
| Accumulated Amortization | -215,411.00 |
| Goodwill | 781,000.00 |
| Organization Costs-Start Up | |
| Compliance | |
| Brand Registration | 4,857.67 |
| Labels | 316.00 |
| Compliance - Other | 7,530.75 |
| Total Compliance | <u>12,704.42</u> |
| Legal | |
| International Compliance | 1,196.69 |
| Shareholder Compliance | 36,000.00 |
| Legal - Other | 68,810.88 |
| Total Legal | <u>106,007.57</u> |
| Licensing Fee | 101,750.50 |
| Marketing | 6,860.60 |
| Patents/Trademarks | 16,575.02 |
| Production & Design | 36,606.09 |
| Public Relations | 3,000.00 |
| Total Organization Costs-Start Up | <u>283,504.20</u> |
| Total Other Assets | <u>849,093.20</u> |
| TOTAL ASSETS | <u>2,989,943.84</u> |

Balance Sheet
As of December 31, 2008

| <u>Dec 31, 08</u> | |
|---------------------------------------|----------------------------|
| LIABILITIES & EQUITY | |
| Liabilities | |
| Current Liabilities | |
| Accounts Payable | |
| Accounts Payable | |
| Consulting Fees Payable | -15,000.00 |
| Legal Fees | -52,685.32 |
| Salaries Payable Officer | -29,706.75 |
| Total Accounts Payable | <u>-97,392.07</u> |
| Total Accounts Payable | <u>-97,392.07</u> |
| Other Current Liabilities | |
| Loans Payable | |
| BofA LOC | 23,609.01 |
| Loan From Christopher Condon | 44,020.00 |
| Loan from CT Holdings | 70,364.54 |
| Loan from Richard Condon | 425,000.00 |
| Total Loans Payable | <u>562,993.55</u> |
| Total Other Current Liabilities | <u>562,993.55</u> |
| Total Current Liabilities | <u>465,601.48</u> |
| Total Liabilities | <u>465,601.48</u> |
| Equity | |
| Opening Bal Equity | 49,500.00 |
| Retained Earnings | -5,165,173.36 |
| Shareholder Equity | 8,365,378.00 |
| Net Income | -725,362.28 |
| Total Equity | <u>2,524,342.36</u> |
| TOTAL LIABILITIES & EQUITY | <u>2,989,943.84</u> |